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REAP | Restoring Efficiency to Agriculture Production
საქართველოს სასოფლო-სამეურნეო
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RESTORING EFFICIENCY TO AGRICULTURE PRODUCTION (REAP) ACTIVITY IN GEORGIA

Quarterly Progress Report Project Year 2

April 01, 2015 - June 30, 2015



Restoring Efficiency to Agriculture Production (REAP) Activity in Georgia

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April 01, 2015 – June 30, 2015

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Acronyms

APMA	Agricultural Projects' Management Agency
BSP	Business Service Provider
CBA	Cost Benefit Analysis
CEO	Chief Executive Officer
COP	Chief of Party
COR	Contracting Officer's Representative
DCFTA	Deep and Comprehensive Free Trade Area
EMMP	Environmental Mitigation and Monitoring Plan
EOI	Expression of Interest
ERC	Environmental Review Checklist
EBRD	European Bank for Reconstruction and Development
EU	European Union
FSC	Farm Service Center
FSSC	Food Safety System Certification
GAP	Good Agricultural Practices
GHGA	Georgia Hazelnut Growers Association
GIP	Gender Integration Plan
GGN	GlobalGAP Number
GOG	Government of Georgia
HACCP	Hazard Analysis & Critical Control Points
HEPA	Hazelnut Exporters and Processors Association
IDP	Internally Displaced People
I/E	Individual Entrepreneur
IES	Initial Environmental Screening
ISSET	International School of Economics at Tbilisi State University
ISP	Information Service Provider
LOP	Life of Project
M&E	Monitoring & Evaluation
MEO	Mission Environmental Officer
MOA	Ministry of Agriculture
MOD	Ministry of Diaspora Issues
MOU	Memorandum of Understanding
MSC	Machinery Service Center
NATO	North Atlantic Treaty Organization
NEO	New Economic Opportunities
PERSUAP	Pesticide Evaluation Report and Safer Use Action Plan
PHHP	Postharvest Handling and Processing
PMP	Performance Monitoring Plan
PP	Primary Production
PR	Public Relations
Q1	Quarter One
Q2	Quarter Two
Q3	Quarter Three
Q4	Quarter Four
REAP	Restoring Efficiency to Agricultural Production

RFA	Request for Application
RFP	Request for Proposals
SME	Small and Medium Enterprises
STTA	Short Term Technical Assistance
TA	Technical Assistance
TEC	Technical Evaluation Committee
TOC	Terms of Cooperation
USAID	United States Agency for International Development
USG	United States Government
VET	Vocational Education and Training

Executive Summary

REAP is now in a unique position at the end of Quarter 3 in Year 2. While still relatively early in the life of the project, REAP has implemented the bulk of its grants portfolio. All applications for REAP grants have been received, selection and scoring is nearly complete, final site visits are under implementation or are scheduled, and grant funding is fully committed.

Completing its grants component so quickly affords REAP a number of benefits. These include maximum running time for grantee enterprises meaning maximum persons hired, more products sold, and more markets developed. It has also allowed REAP the opportunity to provide technical assistance (TA) to its grantees over a longer and sustained time period. This is an important point, because it is clear that enterprises value the technical assistance packages that REAP is able to provide.

The rapid implementation of REAP's grants component generated early insights into the cross-cutting areas most important to advance sustainable agribusinesses in Georgia. Increasing access to finance by working in close cooperation with major banks in Q3 is one prime example. Requests for cooperation in this area came to REAP both from lenders and borrowers. Agribusinesses and farmers badly require cheap credit, and banks needed to better understand the specific borrowing demands within the agriculture sector. This created a surprising and vigorous demand for REAP technical assistance in access to finance. In the event that GOG halts its cheap credits facilities, largely through the Agricultural Projects Management Agency (APMA), this cross-cutting area will become even more important.

Throughout Quarter 3, REAP modified its policy guiding selection of investment proposals for grant consideration. While the modification is slight, it alters the effective earlier policy which focused only on proposal soundness and quality and necessarily takes into account the grant's component limit of \$6M. A positive result of this policy variation is that more grants will be issued than would have been possible otherwise.

Gender and youth have emerged over recent implementation quarters as important and promising cross-cutting areas. REAP has reported extensively in past quarters on women in agribusiness activities. REAP's cooperation with several universities, faculties, and grantees to generate intern opportunities combined with REAP's own extensive intern program have produced a unique and sorely needed experiential network for young agriculturalists.

A number of significant lessons were learned or confirmed during the quarter, given the early near completion of the grant application process. Among these are:

- Processing enterprises have expressed the greatest demand for REAP investment grants. These grants will increase levels of technology employed in Georgia and will form numerous bridges to exports. They also will immediately upgrade Georgia's ability to compete in international markets. The potential demand for more such grants is extensive.
- MSC/FSC grants have the greatest impact on the highest numbers of people. They will contribute more to rural well-being than any other type of REAP grant. However, their absorption rate in the Georgian economy is limited and does not extend much beyond the number already produced by the REAP grant program.

- REAP grants attract interest in all regions of Georgia. This fact has remained consistent through all six RFA offerings. Universal demand obviously is a feature of REAP investment grants.
- Interest in REAP technical assistance has proven broader than anticipated. Even on a cost-shared basis non-grantee enterprises and agencies have sought such assistance. Where REAP has engaged in these opportunities, significant impact already is evident. This interest and its depth will be more clearly defined over the next program quarter.
- Initial concerns were great that grant offers of only 30% with matching funds of 70% required would not appeal to Georgian applicants. Experience has fully obviated this concern. Through the first four rounds of grant solicitations grants actually approved averaged just over 25% of the investment cost. Thus, REAP grants are more cost-efficient than originally hoped would be the case. In effect, REAP is generating new agribusinesses for just 25% of the total investment cost.
- The absence of experienced agricultural specialists in Georgia has remained a persistent problem in the sector. This has resulted in a commitment by REAP to address the need for qualified agronomists to be available when and where needed throughout Georgia. While this may seem a most basic sector need, it remains one of the most serious and must be confronted directly.

During the quarter REAP finalized an agreement with AgriGeorgia and the Georgia Hazelnut Growers Association (GHGA). This arrangement had been under discussion since October of 2014. The tripartite cooperation will be in five defined areas supporting the hazelnut subsector. The initiative already is well underway and should result in tangible impact reports beginning in Quarter 4. This initiative also will be used to leverage resources from the Agrarian University to support both the tripartite agreement and REAP's general program of work in future quarters. The agreement remains in force until the end of 2015.

A pleasant program reality is that more donor and non-donor entities are approaching REAP with requests for cooperation or coordination. In one sense this can mean that REAP has been discovered as a serious partner in agriculture development. A good example of this is the recent proposal by the National Investment Agency, a function of the Prime Minister's Office, to consider co-funding a technical study aiming at identifying niche EU export markets and building on REAP's DCFTA study and roadmaps. More such proposed joint activities are likely to surface in future quarters.

While still in the early life of project stage, recent REAP collection of impact data is very promising. Already REAP's grantees report close to \$8M in new private investment, more than \$14M in gross incremental sales and more than 400 new jobs, reaching 57%, 37% and 57% of LOP targets respectively. With grantees from only rounds 1 and 2 operational and 13 quarters remaining, REAP is optimistic that it will easily surpass its original contracted goals well before project completion.

As REAP moves away from grant-giving and more into technical assistance support, many different project elements are beginning to engage. It is important that we do not lose sight of the fact that at the end of the five-year REAP program the most important measurable we can collect will be the financial success and sustainability of each grantee enterprise.

Summary of Achievements in Quarter Three

Component 1: SME Development in the Agriculture Sector	Component 2: Technical Assistance Program	Cross Cutting
<ul style="list-style-type: none"> • More than \$14M in gross incremental sales registered by REAP supported SMEs. • More than 420 new rural jobs created by REAP supported grantees. • Two enterprises selected for joint grants program with APMA • 28 applications received from processing enterprises in response to RFA 005B 	<ul style="list-style-type: none"> • Five ton trial shipment of blueberries shipped to UK • Three DCFTA roadmaps co-published with the Ministry of Agriculture • More than 800 farmers trained in integrated pest management at REAP supported FSCs. • Cooperative hazelnut development program launched with AgriGeorgia and Georgian Hazelnut Growers Association 	<ul style="list-style-type: none"> • Agriculture finance strategy finalized for Bank Republic • Two new agriculture lending products development for TBC Bank/Constanta. • PERSUAP comments addressed and re-submitted to USAID.

Detailed REAP Progress by Activity and Component

Operations, Facilities and Equipment:

REAP continues to maintain three offices located in Tbilisi, Kutaisi and Telavi. The Tbilisi office serves as the main project office which now houses 25 total staff, while the regional offices in Kutaisi and Telavi house 2 regional coordinators and two interns who are responsible for monitoring the progress of grantees and collecting data for REAP's PMP.

Staffing:

In Q3, REAP's Director of Finance and Administration informed management on her departure from REAP in early PY3. REAP will begin the recruitment process of this key personnel position early in Q4 and will ensure that the new hire will overlap with the outgoing Director of Finance and Administration to ensure a smooth transition. In addition, due to the high volume of administrative requirements, REAP announced an Administrative Assistant position that will assist REAP's Finance and Administration department manage the increased workload. REAP anticipates filling this position early in Q4.

Document and Deliverables Submission:

A summary of documents submitted to USAID in Q3 may be found in the table below:

Document	USAID Submission	Submission Date	USAID Approval
Project Reports and Manuals			
<i>PY 2 Q2 Report</i>	Submitted	April 15, 2015	Approved
RFAs and EOIs			

<i>Grant RFA 005/0415</i>	Submitted	March 25, 2015	Approved
<i>Grant RFA 005B/0515</i>	Submitted	April 29, 2015	Approved
TOCs			
<i>Cooperation Framework with AgriGeorgia and GHGA</i>	Submitted	June 8, 2015	Approved
Short-Term Technical Assistance Reports			
<i>PERSUAP</i>	Re-Submitted	May 26, 2015	Pending
<i>DCFTA Opportunities for Agribusinesses</i>	Submitted	June 30, 2015	Pending
<i>DCFTA Roadmaps: Primary Producers, Processing Enterprises, Laboratories</i>	Submitted	June 30, 2015	Approved

Program Outreach and Communications:

Outreach: In Q2, REAP held program outreach events across REAP’s two programmatic areas. In addition, REAP actively participated in the U.S. Embassy sponsored “America Days” in Tbilisi, where 12 of REAP’s supported enterprises provided product tastings to participants. Details on the three outreach areas may be found below.

Grant Component: To answer questions from potential grant applicants from RFA 005B, REAP held three question and answer events at REAP’s main and regional offices. Outreach for RFA 005B was significantly smaller as REAP’s grant funds were limited and based on implementation experience to date, more passing grant projects would be received than grant funds remaining. A list of the outreach events and participant attendance may be found below.

Region	City	Date	#Participants	Women	Venue
Kakheti	Telavi	13-May	12	1	USAID/REAP Regional Office
Imereti	Kutaisi	16-May	16	2	USAID/REAP Regional Office
Tbilisi	Tbilisi	15-May	16	1	USAID/REAP Tbilisi Office
TOTAL			44	4	

In total, REAP held five rounds of outreach to support the grants program, reaching more than 840 entrepreneurs.

Technical Assistance: REAP’s Technical Assistance Team continued to host outreach events throughout the country to raise awareness on capacity building and technical assistance opportunities for non-grantee enterprises. REAP is working closely with APMA to reach beneficiaries of their cheap credit program and with the Hazelnut Exporters and Processors Association (HEPA) to mobilize their members. In June, REAP presented at the Georgia Hazelnut Scientific-Practical Conference to raise awareness of REAP’s 50/50 cost-share technical assistance program.

America Days: On June 6th, the U.S. Embassy organized “America Days” in Tbilisi, where attendees could learn about United States Government (USG) sponsored programs as well as enjoy American cuisine and music. For the event, REAP organized three tents where 12 REAP supported companies provided free tastings to festival participants. The event served as an important showcase for USAID’s assistance to the agriculture sector and as an effective marketing tool for REAP’s supported enterprises.



Grantees Showcase New Products at America Days

REAP Response to June 13 Flood: In response to the tragic floods in Tbilisi, hundreds of young volunteers showed up to help with relief efforts in flood affected areas throughout Tbilisi. A glaring gap that was identified in the aftermath of the flood was the disproportional amount of willing volunteers to the necessary equipment needed. To help mitigate this problem and to provide assistance to the cleanup efforts, REAP organized a large donation of more than 100 shovels, wheelbarrows, gloves, rain boots and hats. The donation was made by FSC grantees, who quickly organized three truckloads of equipment that were driven to the Office of the Vake District Local Government from Shida Kartli and Kakheti regions. Within minutes of the arrival of the donation, the shovels were given out, wheelbarrows were put together and eager volunteers were transported to areas heavily affected by the flash flood. The donation of REAP’s FSC grantees made national media and can be seen here: <https://www.youtube.com/watch?v=7-X0w9aIF0g>



REAP Delivering Needed Equipment in Response to June 13 Flood

Communications: REAP’s Communication and Outreach Specialist continues to work with two video production companies that are documenting project activities over the life of the project. The video production companies are capturing the progress of grantees from initial construction through project openings. These videos will be produced in English with Georgian subtitles and will be utilized to share REAP’s story and promote USAID’s work in Georgia. Meanwhile, REAP is beginning to formulate individual success stories reflecting the investment activities of grantee and non-grantee enterprises.

As an adopted practice, REAP invites journalists and media representatives to sponsored field days and training events. This enables journalists and media representatives to see firsthand the assistance REAP provides and to understand REAP’s program and approach. By providing

media access to REAP's training programs, the project is readily able to communicate its programmatic activities and successes to a wider audience.

Component 1: SME Development in the Agriculture Sector

During Q3, REAP's Component 1 efforts focused on finalizing the selection and development of full investment proposals for RFA 004/0115 (FSC Grantees), launching two new RFAs including one jointly funded with APMA and monitoring REAP's existing 46 grantees from rounds 1, 2 and 3. With three projects approved by USAID in Q3, REAP has now committed more than \$4.5M of its \$6M grant portfolio to 49 enterprises, leveraging more than \$13.2M in private sector funding. Q3 marks a milestone for REAP, signaling the end of soliciting grant applications from the private sector. In total REAP's grant program received 226 applications from all 11 regions of Georgia, and anticipates more than 70 awarded grant projects.

RFA 004/0115 (FSC/MSC Grants)

During Q3, REAP evaluated 27 grant applications received in response to RFA 004, which solicited applications to establish or strengthen new and existing FSC/MSC enterprises. RFA 004 was REAP's first targeted RFA by priority direction and was utilized to focus REAP's outreach and mobilization efforts. By targeting one priority area, REAP focused its approach to investment to ensure the most appropriate entrepreneurs responded to REAP's grant program. The identification and mobilization of proper entrepreneurs is critical to REAP's goal of launching successful agribusiness. The focused RFA generated higher quality applications, which will result in more successful long term grant projects.

The Technical Evaluation Committee (TEC) consisting of REAP's Agribusiness Investment Director, Primary Production Specialist, Postharvest and Processing Specialist, and Input Supply and Farm Service Specialist scored applications utilizing REAP's approved scoring matrix. In addition, REAP's COR, COP, DCOP and the Grants Manager participated in the process as non-voting members.

Based on the TEC consensus scoring meeting, 17 applications received passing scores. Afterwards all these applicants were visited by REAP's Component 1 Team. As a result 12 projects were selected for investment proposal development. Five proposals were not selected for full investment proposal development due to environmental concerns and failure to reach consensus on a final project budget. Subsequently, REAP's Component 1 Team negotiated terms of the grant project with passing applicants, including modifications to the initial grant and matching investment budgets and began to work with the grantees to draft full Investment Proposal to be submitted to USAID for approval. A detailed table of RFA 004 grant applications is provided below.

Name	Project Type	Grant Amount (\$)	Cost Share Amount (\$)	Status
<i>AgroSakhli Ltd.</i>	FSC	\$14,990	\$64,093	In Development
<i>Mindia 2011 Ltd</i>	FSC/MSC	\$132,500	\$336,988	In Development
<i>Zurab Kartvelishvili</i>	FSC/MSC	\$135,300	\$391,285	In Development
<i>AgroServiceKareli Ltd</i>	FSC/MSC	\$132,800	\$335,233	Pending USAID Approval

<i>Sosiko Amirkhanian</i>	FSC/MSC	\$133,120	\$327,830	Pending USAID Approval
<i>Guria Farmers' House Ltd.</i>	FSC/MSC	\$131,400	\$322,543	Pending USAID Approval
<i>Gejeti Ltd.</i>	MSC	\$132,000	\$311,120	Pending USAID Approval
<i>Akhali Fermeri XXI Ltd.</i>	FSC/MSC	\$19,099	\$61,713	Approved
<i>Ambrosi Matcharashvili</i>	FSC/MSC	\$130,700	\$417,013	Approved
<i>Orientali 2013 Ltd.</i>	FSC/MSC	\$129,600	\$405,211	Approved
<i>AgroTrading Ltd.</i>	FSC/MSC	\$132,000	\$337,899	In Development
<i>Caucasus Technical Service</i>	FSC/MSC	\$131,000	\$344,328	In Development
Total		\$1,354,509	3,655,256	

In Q3, REAP submitted seven grant packages from RFA 004 to USAID, of which three have been approved and four are under review. The remaining five grant packages are being developed by REAP's Component 1 Team and will be submitted to USAID early in Q4. The average grant amount requested of \$131,700, is, as expected, much larger than REAP's typical grant project. In total, RFA 004 will inject more than \$5M in new investment into the agriculture sector, with almost 73% generated from the private sector. This equals \$2.7 of private sector match for every \$1 of USAID funds invested in grants. Once fully approved and launched, these 12 enterprises will provide needed agricultural inputs, machinery services, and farmer consultations to more than 100,000 farmers over the next three years.

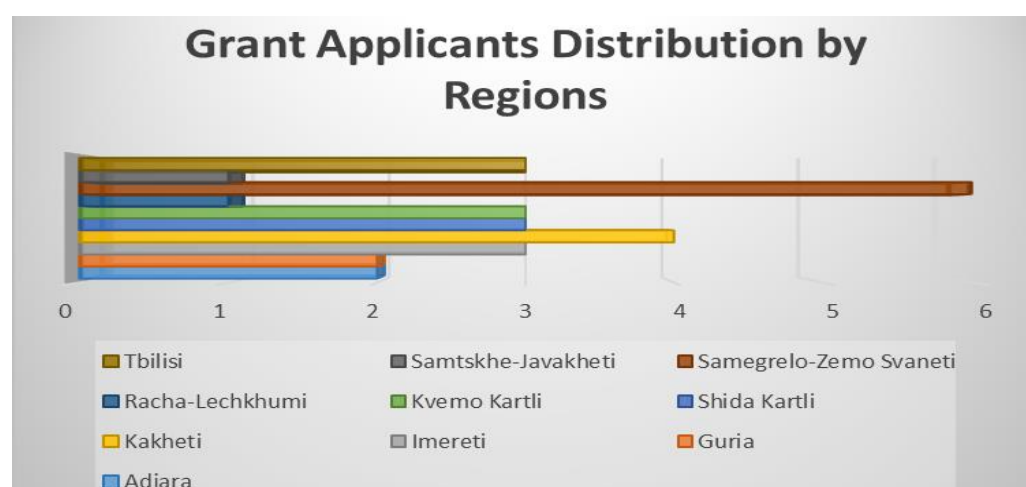
RFA 005A (APMA Grants)

The purpose of RFA005A, released in Q3, was to join REAP's and APMA's efforts in launching successful agriculture enterprises and to support APMA in funding high potential start-up businesses that will increase employment and rural incomes. Eligible only to a short list of already approved APMA business plans, RFA 005 grants are limited to \$30,000 and will play a crucial role in successfully launching these new enterprises by supplying modern equipment, ensuring access to viable and affordable financing options and most importantly by providing tailor-made technical assistance that will mitigate risks for financial institutions. REAP's technical and financial assistance has enabled APMA's approved business plans access to the credit necessary to become a reality.

On April 20, 2015, REAP announced RFA 005A and APMA distributed this solicitation among its selected beneficiaries. Due to the limited pool of eligible applicants, orientation meetings were held at REAP's main project office in Tbilisi. In response to RFA 005A, REAP received five applications from APMA's pool of approved business plans. As a result of REAP's rigorous selection, two applications scored over 70 points and considered for further development. These two projects, Iberia Fruits Ltd. and Georgian Laurus Ltd., represent new processing ventures that will have significant development and economic impact on rural communities. REAP is now working closely with APMA on moving forward with investment proposal development.

RFA 005B (Processing Grants)

In May, REAP announced RFA 005B soliciting applications to strengthen existing processing or postharvest enterprises. As remaining funds in REAP's grants portfolio were limited, REAP and USAID jointly decided to limit the size of these grants to \$60,000. This marked the first time since RFA 002 that processing and postharvest handling enterprises were able to apply for REAP's grant program. As such, interest from agribusinesses towards this direction was high. Therefore, REAP limited its outreach to three informational sessions held in Tbilisi and in both regional offices. In response to RFA 005B, REAP received 28 applications, requesting more than \$1M in grant funding. The number of applications was in line with previous grant solicitations, demonstrating the continued demand for REAP's matching investment and stable agriculture investment climate. As displayed in the chart below, REAP continues to generate national interest. Currently these applications are being evaluated, and the Consensus Scoring Meeting will be held in mid-July to finalize selection. This puts REAP on track to have the \$6M grant fund fully committed by the end of Project Year 2.



Grants Implementation

Grant projects from Rounds 1 and 2 continue to advance in their implementation. 46 grant projects are currently in an active phase of implementation. Almost all of these grantees have completed their mandated construction milestones, and procurement for 10 grant projects are completed and others are in the process. In Q3, REAP successfully resolved a procurement issue and obtained USAID's approval for geocode waiver for the grant project Agroexport Ltd. Now Agroexport equipped with the modern molding machine will be ready for the upcoming citrus season.

Throughout Q3, REAP continued to track the progress of its grant portfolio and monitored cost share contributions prescribed in their grant agreements. By the end of Q3, REAP's \$2.3M in disbursed grant funds have leveraged more than \$7.9M in matching investment from the private sector. Below please find information on REAP's private sector leverage and grant disbursement by investment category.

	FSC/MSC	PHHP	PP	ISP	Total
Cost Share Committed	\$6,032,283	\$6,924,284	\$159,350	\$151,585	\$13,267,502
Cost Share Spent	\$4,767,463	\$3,068,388	\$56,722	\$49,314	\$7,941,887
Grant Funds Committed	\$2,170,270	\$2,203,313	\$55,050	\$64,245	\$4,492,878
Grant Funds Disbursed	\$1,244,569	\$1,005,471	\$37,160	\$64,180	\$2,351,380

Each grant project is assigned an activity manager who, in coordination with field coordinators based in Tblisi, Telavi, Guria, and Kutaisi, is responsible for overseeing the implementation of the grant project. Information regarding cost share, sales and purchases of raw materials, as well as information on new jobs and commercial finance are collected on a monthly basis. To date, REAP's active grantees created 425 new rural jobs, sold \$14.8M in new products and provided new cash markets for more than 1,000 smallholders. Below please see some information on select REAP grant projects and their implementation achievements this quarter. Please see Annex A for a map of all of REAP's grantees.

GeoFlower

Located in the rural region of Racha, Geoflower processes vegetables, fruits, wild herbs and roots for sale to beverage, tea and pharmaceutical companies. Utilizing REAP's matching investment, GeoFlower established a new cold storage and processing line that has enabled GeoFlower to expand its processing capabilities and to launch two new business lines: apple variety "Lechkhumian Sinapi" and licorice roots. With GeoFlower's improved production and storage capabilities, 125 new farmers from mountainous villages have sold their products to GeoFlower, resulting in more than \$65,000 in new income for rural suppliers. Additionally, in order to effectively operate the new facility, Geo Flower created 12 new jobs. Geoflower has completed its mobilization phase and is fully operational for the current season. The official opening of this project is scheduled in July 2015.



Fruit Drying in Action at GeoFlower

Lomtagora

Engaged in the breeding and production of seed for wheat, maize and other field crops, Lomtagora is a leading provider of quality inputs. Through REAP's matching investment, Lomtagora upgraded its seed cleaning and treatment equipment, resulting in higher quality seed that ensures higher yields for farmers. In May, Lomtagora hosted the International Conference on Winter Wheat Improvement. During this conference, more than 100 participants from 18 countries learned about Lomtagora's wheat varieties



Lomtagora's Storage House

and new processing capabilities. To date, Lomtagora has utilized this new equipment to produce 21MT of improved seed and hired 8 new employees.

Opening of AgroKartli

On June 25th, REAP's COP, the Deputy Governor for Shida Kartli Region, the Deputy Director of APMA and the owner of AgroKartli, officially opened the REAP supported FSC/MSC. Based in Gori, AgroKartli provides local farmers with high quality inputs, machinery services, consultations, and access to modern technologies. AgroKartli's new facilities will increase the range of products they can offer to smallholder farmers. New services offered by AgroKartli include: veterinary services and drugs, financial services for smallholders, and real-time disease control updates provided through SMS system.



AgroKartli's Showroom

The opening included signing ceremony of the Memorandum of Understanding between Gori University and AgroKartli Ltd that will launch an internship program for students and recent graduates. This provides a unique opportunity for local youth to acquire knowledge and improve their skills while working in a successful agribusiness. During the implementation of the grant project, AgroKartli will provide improved services to more than 9,000 new farmers and will provide training to at least 1,500 farmers. An additional benefit generated by this grant is that the AgroKartli structure itself serves as a unique model in the populous Gori area of environmentally sound and technically advanced design and construction. This is directly attributed to guidance provided by REAP.

IE Nugzar Papunashvili

A fruit seedling producer, REAP invested with Nugzar Papunashvili to improve seedling production technologies and to establish demonstration events for farmers at his nursery. Mr. Papunashvili has sold more than 8,100 units of improved apple rootstock, providing more than 60 farmers with improved varieties of apples and other fruits. In addition, Mr. Papunashvili has already



Papunashvili's Nursery

hired 3 new permanent employees and added 10 seasonal workers. Establishment of this modern nursery will provide farmers with disease free plants and will have a positive impact for the agricultural sector around Gori, a predominant fruit producing area of the country.

Mission Director Visits Herbia

On June 30th, the USAID Mission Director visited REAP grantee Herbia, the first modern, large scale greenhouse producer and distributor of fresh herbs and vegetables in Georgia. Utilizing IDP's as employees, Herbia grows vegetables and herbs in accordance with internationally recognized certifications. REAP's matching investment established a new refrigerated warehouse with two modern packing lines. This new equipment will allow Herbia to purchase more goods from smallholders and to diversify its production by introducing a new product line that provides whole vegetables for ready-made salads. As a result of



Mission Director Visits Herbia

REAP's grant, Herbia has created 16 new jobs and seen an increase in sales of or more than 20% and serves as a prime example of how REAP can catalyze the development of an existing enterprise.

Procurement for Grant Projects

Procurement continued to be a major programmatic activity in Q3. To date, REAP has procured more than \$2.3M in new equipment for grantees and has more than \$1M in contracts. 14 grantees have completed procurement with another 20 in an active state of procurement. The remaining grantees are completing milestones necessary for procurement, including construction.

Component 2: Technical Assistance Program

REAP's technical assistance component provides individual consultancies and group trainings to agricultural enterprises and commercial farmers to support the sustainability of increased investment in agribusiness and to improve on-farm production and quality. In Q3, REAP continued to provide individual consultancies, to organize farmer field days and group trainings to grantees and non-grantee enterprises across a variety of technical areas including: packaging and labeling, food safety and quality management, GlobalGAP, strategic planning and farmer training in integrated pest management and different agronomic aspects.

Individual Consultancies

Branding and Labeling: In Q3, REAP continued to provide tailored packaging and labeling assistance to seven grantees to increase the awareness of their products and to



New Branding Design for Anaseuli

assist them access new international markets or better position themselves in local markets. The seven¹ selected enterprises are all either launching new products or need to rebrand their businesses to meet international requirements. REAP, local branding companies and a short-term international marketing consultant assisted the below listed companies with the following:

- GeoFlower: New brand identity including name, logo and packaging were designed for their new retail product;
- Herbia: New logo and packaging were designed for existing product line as well as new product line launched with REAP's assistance.
- Lomtagora: New brand identity and a public relations strategy and action plan was developed to promote new and existing products;
- Anaseuli Tea Factory: New brand visuals including name, logo and packaging were developed for new tea products.
- AgroPharm+: Brand identity created for the soils and food testing laboratory as well as a public relations strategy and action plan;
- Georgian Fruit Company Ltd: New logo, packaging and branding visuals were created;
- AromaProduct Ltd: New private label name, logo and packaging were developed. In addition, AromaProduct is being assisted with establishing a registered trademark in the US for their newly created private label.

New packaging and branding is showing immediate success for grantees as modern imagery is attracting customers' attention. Herbia's owner notes an increase in sales of more than 20% in the first month that their new brand imagery landed on supermarkets' shelves. Please see Annex B for a look at all of REAP's supported brand imagery.

Food Safety and Quality Management:

With the signing of the Deep and Comprehensive Free Trade Area (DCFTA) agreement and the market demanding higher food safety standards, REAP continues to work with grantee and non-grantee enterprises to assist them to obtain internationally recognized food safety certificates and to improve their quality management practices.



New Packaging and Labelling for Herbia

In Q3, REAP worked with two local consulting firms to provide individual consultancies to 13 enterprises to evaluate their compliance with general hygiene and sanitary rules set by Georgian legislation and to develop tailored improvement recommendations. This assistance also included training of designated staff in globally recognized food safety standards. Each company received a report that highlighted the consultants' findings and provided detailed improvement recommendations. REAP will continue to follow up with these companies to ensure they are

¹ The seventh company, Sephieturi began its consultancy in May and results will be available in Q4.

implementing consultants recommendations and are on track to meet new food safety and hygiene regulations.

During Q3, three non-grantee hazelnut processors approached REAP for assistance in obtaining ISO and food safety standards. As Georgia's hazelnut sector continues to advance, adhering to internationally recognized food standards is essential for export and to increase sales. In May, REAP began working with Westnut Ltd to achieve ISO 22000:2005 certification, with completion expected during Q1 of Project Year 3. REAP also began working with SnaxCo Ltd to achieve 22000:2010 certification and has developed a detailed action plan for food safety system certification, FSSC 22000, for the hazelnut processor. REAP expects the company to obtain ISO 22000:2010 certification by December 2015. In June, REAP began working with Anka Fair Trade Ltd to obtain ISO 22000:2005 certification. Each of these consultancies were jointly funded by the processors on a 50/50 cost share basis.

REAP is continuing to provide GlobalGAP consultations to REAP grantee Gemuani to introduce good agricultural practices on their kiwi plantation. In April and May, a gap analysis against GlobalGap Control Points and compliance criteria was conducted and subsequent training was provided to relevant staff members. REAP is now working on competitively selecting the certification organization and registering Gemuani for a GGN number. The consultancy is being jointly funded by Gemuani on a 50/50 cost share basis.

Technical Assistance to Vanrik: Through REAP's 50/50 cost share program, REAP continues to provide demand based technical assistance to non-grantee enterprise Vanrik Ltd., one of the largest producers of cultivated blueberries in Georgia. In May, REAP's international blueberry expert made his second trip to Vanrik to provide follow on consultations to the company and to train local agronomist and farmers in best blueberry practices. To support the development of the blueberry sector in Georgia, REAP and Vanrik organized a training day on modern blueberry production technologies and practices. Hosted at Vanrik's plantation, the training event was attended by more than 60 farmers from Ozurgeti, Chokhatauri and Lanchkuti regions as well as local MOA extension officers. During the consultant's second visit to Vanrik, a landmark trial agreement was negotiated between Vanrik and International Procurement & Logistics (IPL), the official supplier of Walmart in the UK, to purchase five tons of blueberries. IPL and Vanrik are currently working on a long-term export contract that would represent the first export of Georgian blueberries to the UK. REAP's consultancy with Vanrik is ongoing and will continue through Q4.



Vanrik Blueberries

Farmer Field Days

In line with REAP's Demonstration Plots Action Plan, REAP organized three farmer field days in Q3. For two of these field days, REAP cooperated with the Israeli international development organization Mashav to channel the expertise of their consultants towards developing commercial farming in Georgia. One field day was held at REAP's grantee FSC Rural Advisory Service (RAS) which operates a 0.5 ha demonstration plot in Tsnisi village, Akhaltiskhe, to illustrate best agricultural practices for growing cabbage, cauliflower, carrots, beets, onions, cucumbers and tomatoes. The field day was arranged in collaboration with Akhaltsikhe vocational college Opizari, and provided information on vegetable seedling technologies to a group of local farmers, students, and state extension agents.

REAP also organized a field day with non-grantee partner Vijeta Ltd. which operates a large frozen fruit and vegetable processing plant in Mtskheta. REAP is providing assistance to Vijeta to organize a 15 ha demonstration plot to showcase cauliflower, broccoli and red sweet pepper growing practices. The demonstration plot incorporates technologies such as drip irrigation and mulching. Within the framework of REAP's technical assistance to Vijeta, a field day was arranged at their demonstration plot where a Mashav consultant provided theoretical and practical training on red pepper seedling production. The targeted audience for this training was a group of small and medium farmers from nearby villages who will contract with Vijeta and sell their harvest to the firm. Four more farmer field days will be arranged at Vijeta and RAS' demonstration plots during Q4. These field days will be led by Mashav experts and will focus on pest management, fertigation and harvesting practices.

In Q3, REAP also continued its field days at grantee IE Zurab Tetvadze's demonstration plot which showcases minimum and no till farming. During the field day in April, REAP's Demonstration Plot Specialist and Mechanization Specialist led a practical training on pest management practices. In July, REAP will hold another field day at Zurab Tetvadze's demonstration plot that will showcase harvesting technologies.

Group Trainings

Global Gap- EU Market Access: On April 27-28, nine REAP grantees attended a training in Kiev on accessing European markets sponsored by USAID's Regional Economic Growth Project, USAID's AgroInvest Project and the Ministry of Foreign Affairs of the Netherlands. The training targeted producers and exporters of fresh and or processed fruits and vegetables from Ukraine, Belarus, Moldova, Georgia, Armenia and Russia. During the training, participants learned about export market trends and new developments in the fresh and processed fruit and vegetable sectors and on the benefits of Global GAP certification. In addition, participants visited Stolychny wholesale market and Metro Cash & Carry, two potential importers for REAP's grantees. Conversations continue between REAP and these companies on facilitating export contracts.

Training Program in Pest Management for Local Farmers: In May, REAP launched a comprehensive training program in integrated pest management to educate local farmers on the proper and safe application of plant protection products. Three day training sessions were hosted by nine of REAP supported FSCs/MSCs. Trainings were led by the FSC agronomists and representatives from multinational input supply companies including Kartlis, BASF, Bayern and

Zaden. A total of 860 farmers attended these three day training courses. In Q4, REAP will continue to organize similar group trainings at FSCs throughout the country.

Enterprise Strategic Planning:

Recognizing the need for enterprises to develop long term strategic plans, REAP organized a two-day enterprise strategic planning training event to support enterprises in capitalizing on their competitive advantages, identifying and resolving business problems and to identify new commercial opportunities. 39 representatives from agribusinesses and the Ministry of Agriculture of Adjara participated in the training event. In addition to receiving theoretical and practical knowledge, participants explored business opportunities with the Hilton Hotel in Batumi to supply fresh and processed products to the hotel. As a result of this meeting, one of REAP grantees, Laboratory Dr. George is in discussions to establish a long term contract with the Hilton Hotel in Batumi to supply the Georgian candy – churchkhela.

DCFTA

The Deep and Comprehensive Free Trade Area (DCFTA), as a part of the Association Agreement between Georgia and the EU, will create a strong impetus and new opportunities for Georgian firms to export agricultural products and services to EU markets. Earlier in PY2, REAP launched an integrated program to analyze specific export opportunities, hold workshops on DCFTA and to provide tailored recommendations for REAP beneficiaries to meet relevant EU regulations and to adhere to standardization procedures.

In Q3, REAP, in cooperation with the Ministry of Agriculture, developed three roadmaps for primary producers, processors and testing labs that provide detailed guidance and instructions for these businesses to meet relevant EU regulations and standards. The roadmaps were widely disseminated among REAP supported enterprises and other beneficiaries including the Ministry of Agriculture of Adjara, MOA Extension Centers, Information Center on NATO and EU Integration, Ministry of Economic and Sustainable Development, Akaki Tsereteli Kutaisi State University, Shota Rustaveli Batumi State University, Agricultural University of Georgia, Hazelnut Processors and Exporters Association (HEPA), TBC Bank and USAID. The roadmaps may be found at the following links: [DCFTA Roadmap for Labs](#), [DCFTA Roadmap for Primary Producers](#) and [DCFTA Roadmap for Food Processors](#).

Enhanced Pool of REAP Partner BSPSs

Early in PY1, REAP identified 32 qualified BSPs to serve as local consulting partners for REAP's technical assistance activities. These BSPs compete for individual task orders to provide cost-shared technical assistance to REAP's grantee and non-grantee enterprises. In Q3, REAP evaluated an additional pool of Georgian BSPs and selected 11 qualified BSPs to join REAP's



pool of partner BSPs. In total, REAP is working with 43 local companies who compete for project specific tenders and provide tailored consulting and training services.

Monitoring and Evaluation (M&E)

Throughout Q3, REAP's M&E Manager continued to track the performance of Round 1, Round 2 and Round 3 grant projects against their established targets. All of REAP's PMP indicators are collected on an annual basis, although in order to maintain data quality and update REAP's management on the program's performance, data is collected and analyzed on PMP key indicators that relate to REAP's strategic goal, objectives and sub-objectives on a quarterly basis.

Initial data collection was by REAP Field Coordinators and interns along with M&E team members. To ensure the validity of data quality and proper collection methodology, REAP's M&E Manager conducted site visits to all 46 REAP's grantees from all three rounds and collected corresponding data on their activity for the period of April-June 2015. Performance data collected through Q3 is presented below.

Indicator	Contractual LOP	Actuals to date	Progress
Value of additional financing obtained by the private sector	\$7,000,000	\$12,417,397	177%
Value of new private sector investment in the agriculture sector	\$14,000,000	7,941,886	57%
Gross incremental sales by USG assisted SMEs (all type)	\$40,000,000	\$14,819,902	37%
Gross incremental sales by USG assisted SMEs (PHHP)	\$15,000,000	\$6,274,858	42%
Gross incremental sales by USG assisted SMEs (FSC)	\$15,000,000	\$7,044,869	47%
Number of jobs created with USG assistance	750	425	57%
Number of distinct clients purchased products or services from USG assisted SMEs	135,000	49,835	37%
Number of farmers supplying primary agricultural products	2,500	1,052	42%
Value of primary agricultural products supplied by farmers	\$10,000,000	\$1,420,534	14%
Additional pieces of agricultural machinery (including tractors and related equipment)	102	141	138%
Number of hectares under improved technologies or management practices as a result of USG/REAP assistance (Ha)	240,000	138,042	58%

All 36 grants from rounds 1 and 2 are making good progress against their obligations. Grantees report close to \$8M in new private investment, more than \$14M in gross incremental sales and more than 400 new jobs, reaching 57%, 37%, and 57% of LOP targets respectively. REAP assistance has also attracted an additional \$316,857 in new loans from financial institutions this quarter.

To date, REAP has attracted more than \$12M in new rural financing, meeting 177% of REAP's LOP target. Round 3 grant projects from REAP's Gender Initiative are still in their mobilization phase and have not reported any substantial activity thus far. With 13 quarters remaining and approximately 40 more grantees beginning operations, REAP anticipates greatly exceeding all key indicators.

CBA

REAP continues to monitor and collect data from enterprises involved in the cost benefit analysis (CBA) and during Q3, 10 new grant projects were added to REAP's CBA. REAP CBA now contains 10 projects from Round 1, 16 projects from Round 2 and 10 projects from Round 3. This representative sample consists of 10 FSC/MS, 19 PHHP, 6 PP and 1 ISP project. The financial CBA for all 36 businesses is now complete and will be presented in REAP's Year 2 Annual report. Previously, REAP began to collect on farm data by conducting mini surveys with the direct beneficiaries of our grantees. To date there are 7 farmers' mini surveys completed and analyzed. REAP's M&E unit will continue to collect corresponding data in order to obtain relevant on farm information to monetize economic impact of REAP's interventions. An updated picture of REAP's CBA will be presented in REAP's Year 2 Annual Report.



Environmental Management and Monitoring

In Q3, REAP's Environmental Management and Monitoring focused on three main activities: 1) development of environmental review checklists (ERCs) for round 4 grantees; 2) conducting site visits to monitor the progress of REAP's approved grantees, and 3) revisiting and resubmitting the Evaluation and Safe Use Action Plan (PERSUAP). In addition, to improve the build the capacity of REAP's staff, REAP's Environmental Specialist traveled to Israel for a two week training by MASHAV on Agrological Approaches for Sustainable Agriculture. REAP continues to benefit from its relationship with MASHAV and will continue to seek further staff development opportunities and to expand on the collaborative efforts between the programs.

ERC Development for Round 3 Grantees

REAP's Environmental Specialist developed ERCs for all 12 grant applications and are submitted as part of the full grant application package for approval by USAID's COR and MEO. To develop the ERCs, REAP's Environmental Specialist conducted Initial Environmental Screening (IES) during REAP's grantee due diligence. In certain cases, where vulnerable areas were identified, the Environmental Specialist conducted secondary site visits to discuss mitigation measures that should be undertaken by the grantees during the implementation stage.

Environmental Monitoring

To monitor and ensure adherence to environmental standards, REAP's Environmental Specialist, in collaboration with REAP's Regional Coordinators and Monitoring and Evaluation Manager,

conducted monitoring visits for REAP's Round 1, 2 and 3 approved grant projects. During these meetings, environmental site memos were designed, recommendations and comments were provided, and the Georgian version of their EMMPs was distributed. REAP's Environmental Specialist observed no major problems during the site visits. The list of grantees visited can be found in the table below.

Month	Grant Round 1	Grant Round 2	Grant Round 3	Grant Round 4 (shortlisted – initial screening)
April	IE Giorgi Tediashvili		IE Marina Akolashvili	Gejeti Ltd
			Gile Cooperative	Guria Farmer's house
			Laboratory Dr. George	
			Dioknisi Cooperative	
			Gemuani Ltd	
May		LTD Gvaza		IE Ambrosi Macharashvili
	Geoflower	LTD Agroservice	IE Lali Chankseliani	Akhali Fermeri
	Agrokartli	IE Tsitsia Digmelashvili	IE Ia Urushadze	Orientali 2013
	AgroPharm +	IE Valerian Mgeladze	IE Chkadua	Agroservice Kareli
	LTD Farkoni	LTD Agroinvestservice	Nektari Ltd	IE Sosiko Amirkhaniani
		Cooperative Georgian Fruit Company	IE Lali Chankseliani	
		IE Aleksander Nadareishvili		
		LTD Herbia		
		LTD Firm Lomtagora		
		LTD Georgian Fruit Company		
		LTD Aromaproducti		
June		IE Zurab Tetvadze		IE Zurab Kartvelishili
		IE Mamuka Tsikoridze		Agrosakhli Ltd
	IE Davit Omanashvili	LTD Sepieturi		Mindia 2011
	LTD Luk Agro			Caucasus Technical Service

PERSUAP Resubmission

At the request of USAID, REAP's Environmental Specialist and international environmental consultant revisited the PERSUAP for USAID/Georgia submitted to during Quarter 2. Comments made by USAID have been taken into consideration and all the questions have been answered and clarified by REAP. During Q3, REAP submitted a revised version of PERSUAP

for USAID/Georgia and USAID/DC's final approval. REAP expects to receive final approval of the PERSUAP in early July and REAP will subsequently provide trainings for REAP grantees that deal with pesticides and fertilizers.

Cross Cutting Activities

Gender and Youth

Mainstreaming gender perspectives throughout REAP's activities continued through the following four activities:

- 1) **Facilitate Gender-Equitable Agriculture Development through the Development of Women-Owned and Gender-Equitable Agribusinesses:** REAP developed Gender Integration Plans (GIPs) for 12 passing applicants of RFA 004/0115. In these FSC/MSR grant projects, women are included as technical specialists or extension agents that can result in a positive impact on increasing access to agricultural extension / advisory services to rural women.
- 2) **Raise the visibility of women-owned agribusiness and REAP:** Gender Initiative Alumnae participated in several events organized by various stakeholders, including America Days in Tbilisi 2015; EBRD Annual Meeting and Business Forum 2015; and 28th DWV-Forum: Georgian & German Government Initiatives for Supporting Enterprises.
- 3) **REAP's Women Targeted Outreach Campaign:** In May 2015, in order to identify and reach out to qualified women applicants and to encourage and support their participation in REAP's Grant Program, REAP's Gender Team circulated an announcement on RFA № 005B/0515 to the attention of GI Alumnae and the wider public through emails, Facebook page and phone calls. Also, an e-poster addressing women entrepreneurs was developed and circulated. Three women applicants applied as a direct result of this campaign.
- 4) **REAP's Strategic Platform:**
 - After the launch of the platform, REAP's Gender Team actively worked on the development of a number of tools aimed at increasing women's access to information.



Poster to Attract Women to REAP's Processing Grant Round

Through cooperation with USAID/NEO, its video training courses and brochures are being posted on the platform's Facebook page.

- REAP has started mobilization of youth for inclusion in the platform through circulating announcements via Jobs.ge, REAP's website and both Facebook pages, also through its intern network. The platform aims at development of gender equitable agribusinesses through inclusion of students and young agriculture entrepreneurs. The next phase is to make a regional outreach campaigns for young people who are interested in this initiative during the platform meetings in different regions of Georgia.

Access to Finance

Q3 of REAP's implementation saw the conclusion of two major access to finance initiatives with two of Georgia's largest banks: Bank Republic and TBC/Bank Constanta. In June, REAP's international consultant delivered his final presentation to Bank Republic on their agriculture lending strategy. Bank Republic's agriculture lending strategy comprised recommendations for investment in 7 primary production sectors and 3 processing sector, establishing a new agriculture lending unit to streamline loan approvals, a strategy for targeting new clients and new analytical training tools. The strategy was presented to Bank Republic's senior management, including the Deputy CEO. REAP and Bank Republic continue to work together on designing an implementation plan for the agriculture strategy to which Bank Republic committed 20M GEL in new lending.

In June, REAP also finalized its initial work with TBC/Bank Constanta to develop new agriculture lending products that target smallholder farmers. After meeting with bank representatives, visiting branches and clients, REAP recommended and develop two new lending products for the bank: wholesale financing and combination of seasonal loan with future deposit. REAP's international access to finance expert presented analytical tools, worksheets, training materials and case studies to TBC/Bank Constanta's Deputy CEO and Product Development Team. REAP and TBC/Bank Constanta continue to work on developing a comprehensive training program for the bank's loan and risk officers to understand and adopt the new financial products.

Workforce Development

In Q3, REAP continued its internship program to engage students and provide them with practical learning experiences. REAP has 17 students from local universities serving as interns in REAP's Tbilisi, Telavi and Kutaisi offices. In addition, REAP continues to actively facilitate linkages between the private sector and academia. In June, REAP's grantee AgroKartli, and Gori University signed an MOU to provide internship opportunities for university students. In future quarters, REAP anticipates more grantees joining these MOUS as their businesses become operational.

To enhance the knowledge and awareness of modern technologies and agriculture practices, REAP involves its interns and university students at all field days and demonstration. Led by local and international experts, these field days serve as knowledge transfer sites to demonstrate international best practices and new agriculture technologies. In Q3, more than 50 students from

the Agrarian University, Georgian Technical University, ISET and VET Opizari attended REAP's field days.

In Q3, REAP continued to cooperate closely with Akaki Tsereteli Kutaisi State University and Shota Rustaveli Batumi State University to assist educators align curriculum with the needs of the private sector. Technical training manuals developed by REAP are currently being used by university professors to teach postharvest handling and refrigeration courses to more than 500 students.

Collaboration with Donors

REAP continues collaboration with the Ministry of Diaspora (MOD) to promote engagement of Georgian diaspora in the development of commercial farming in Georgia. Based on the latest discussions, REAP and the Ministry will collaborate to promote exports of Georgian products to targeted markets. REAP is currently gathering product specific information from its network of processors with the potential to export to the U.S. Full information, including samples, will be shared with the MOD once grantees branding and labeling activities are complete and new products are ready for shipment.

In Q3, REAP continued to work with APMA in launching a tailored grants program that will benefit start-up processing enterprises. To this end, REAP issued RFA 005, which was exclusively for APMA beneficiaries. As a result, REAP selected two companies to receive joint co-financing from APMA and REAP. REAP is currently working with APMA on finalizing investment proposals for USAID's consideration.

Collaboration with AgriGeorgia

Hazelnuts are one of the major agriculture products of Georgia, representing Georgia's largest agriculture export by value and supporting employment and livelihoods for more than 50,000 families. Recognizing the potential and significance of developing the hazelnut sector, REAP and Ferrero's fully owned subsidiary AgriGeorgia, and the Georgian Hazelnut Growers' Association entered into a Terms of Cooperation to engage in a cooperative program, of technical assistance and training in support of the hazelnut sector in Georgia. This relationship builds on months of collaborative discussions and will consolidate, coordinate and leverage the technical expertise of the organizations to increase productivity and incomes of Georgian hazelnut growers. The program will target five areas: 1) access to finance; 2) soils testing; 3) demonstration plots; 4) workforce development; and 5) grower training. The collaborative program will begin work in earnest beginning in Q4.

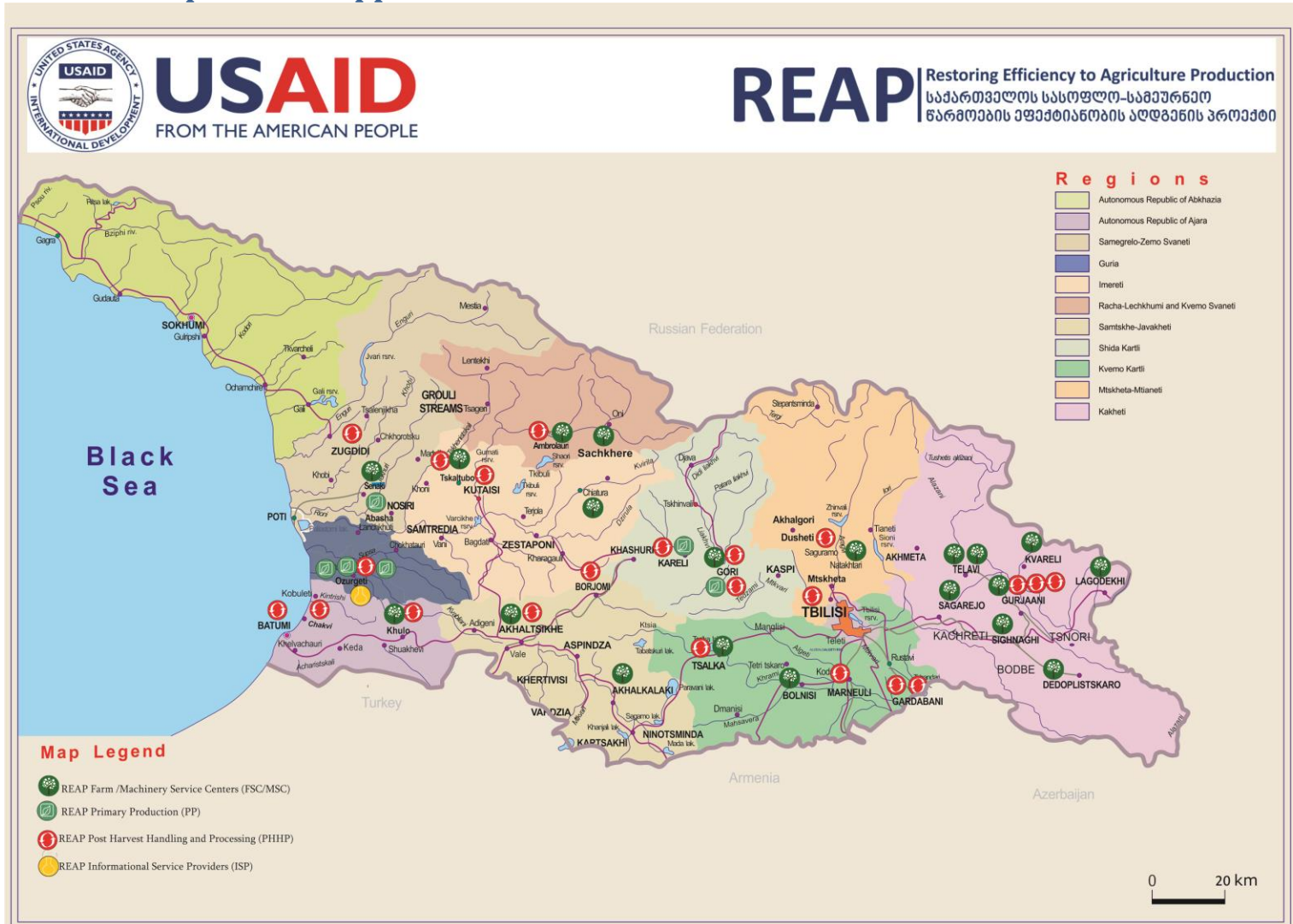


REAP's COP, Director of AgriGeorgia and Head of GHGA Sign TOC launching a joint hazelnut development activity

Key Constraints:

No major programmatic or operational constraints were observed this quarter.

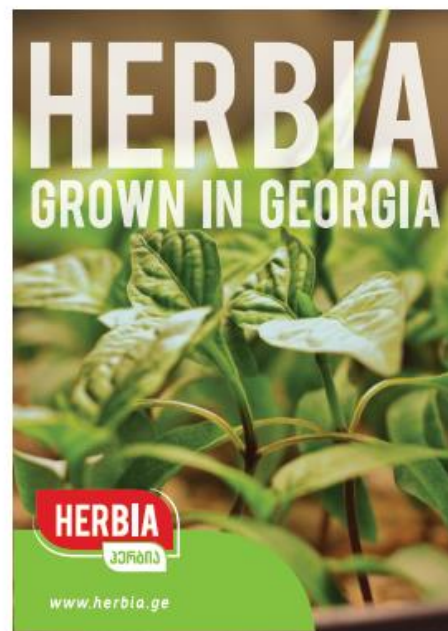
Annex A: Map of REAP Approved Grantees



Annex B: Branding Designs

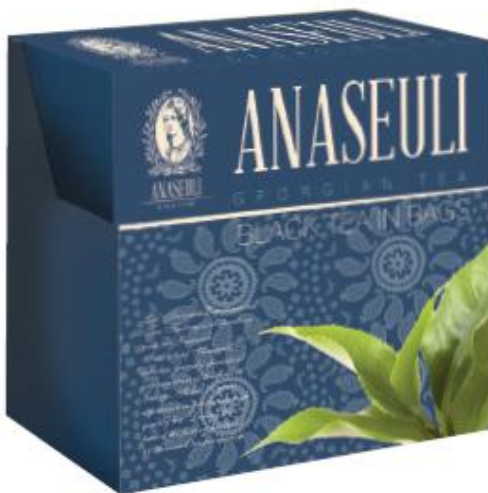
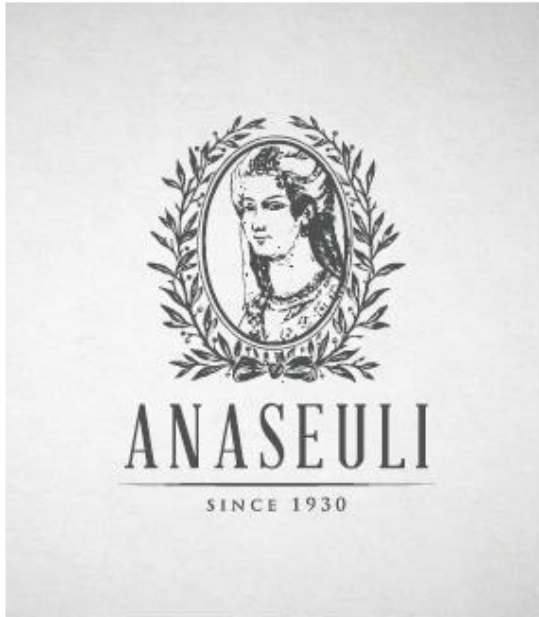
Branding: HERBIA

New Logo
New packaging for the 16 products
Brand book
Promo and exhibition materials



Branding: ANASEULI

New Logo
New packaging for the products
Brand book
Promo and exhibition materials





Brand Identity

- ✔ New Logo
- ✔ Brand book
- ✔ Promo and exhibition materials

Public Outreach Program

- ✔ Public Outreach Program
- ✔ Action plan for 8 month campaign

Provided by GEPR





With the help of USAID, Ltd Geoflower has begun creating a new brand "Barula".

Under the branding process Ltd Adbrand has made several branding activities:

- Research
- Naming
- Logo
- Brand Book
- Packaging design

Also web-page design will be prepared.





Brand Identity

- ☞ New Logo
- ☞ New packaging for Wheat and Corn Seeds
- ☞ Brand book
- ☞ Promo and exhibition materials

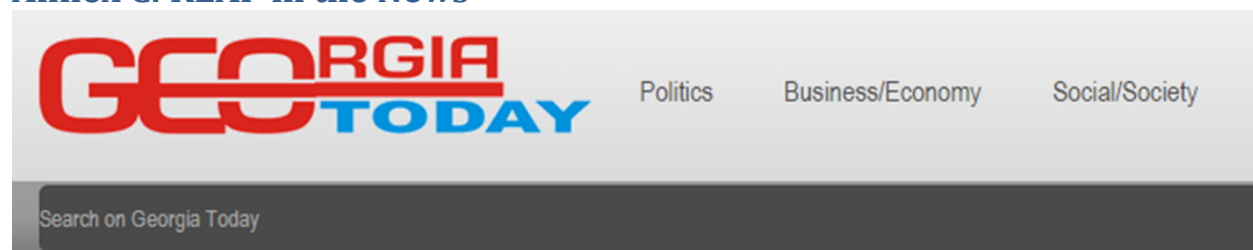
Public Outreach Program

- ☞ Public Outreach Program
- ☞ Action plan for 8 month campaign

Provided by GEPR



Annex C: REAP in the News



USAID/REAP Mourn Tragic Loss of Mariam Kutelia



The USAID/REAP program said it had lost “a valued member of its team” upon learning of the tragic death of its intern Mariam Kutelia, who was killed in the Tbilisi flooding last weekend.

Mariam’s death inspired the project and its grantees to contribute to the relief efforts of the flood and provide aid. USAID’s Restoring Efficiency to Agriculture Production (REAP) united as one to participate in the mass volunteering in Tbilisi, donating hundreds of shovels, dozens of wheelbarrows, gloves, rain boots and hats, the equipment most needed for the thousands of volunteers standing together against the natural catastrophe.

The trucks and equipment were driven to the Office of the Vake District Local Government from Shida Kartli and Kakheti regions.

Some of the volunteers left to join the rescue efforts of the missing persons such as Ivrita Jibuti, a pregnant newlywed, who was due to graduate from the International School of Economics at Tbilisi State University this summer with a master’s degree

in Economics.

On the night of June 13, flash floods in Tbilisi destroyed the homes of numerous families, caused, at the latest count at time of writing, 18 deaths, and left dozens missing, but the unprecedented volunteer efforts led largely by young people provide hope in a time of great distress.

Due to the largely horizontal organizational structure of the volunteers and the lack of singular leadership, technology and the use of social networks became the key tools to share information and provide updated details on meeting locations, necessary equipment and donation priorities. Some Facebook hashtags are still being used to provide a stream of updates on how many volunteers are needed at specific locations for clean-up efforts, what donations are needed at which local government offices, what medications are urgently needed at the temporary housing locations and so on. The Facebook group “#13 June-Volunteers” counts around 18,000 members, many of whom are actively involved in the disaster relief efforts to this day.

REAP’s team expressed their deep condolences toward Mariam’s family and toward the families of other victims of the flooding.

Steven Jones

Students Prospering from USAID/REAP Internship Program



REAP program areas and have had the opportunity to directly interact with businesses and act as consultants under close mentorship of REAP specialists. CNFA, local consulting companies, and the public sector have employed some of these students, while others have pursued their graduate studies.

Another important area of REAP's internship program is improving students' and agriculture faculties' awareness of modern agricultural technologies through their participation in REAP- arranged field days and practical training sessions led by highly qualified local and international practitioners. 75 students from the Agricultural University, Georgian Technical University, ISET, and VET Opizari attended these events and were able to observe in practice what they learned in classrooms.

"Through my six months working at REAP, I have gained valuable experience that helped me be selected for an exchange program at the University of Lodz, Poland," said Levan Kurdadze, a Caucasus International University student.

"We can be taught theory all day long, but it is putting that theory into practice that fuels creative thinking and new ideas... Thanks REAP," said Mariam Mtsitidze, former REAP intern, Tartu University graduate, who is currently employed by MES Training Center.

REAP has closely cooperated with Akaki Tsereteli Kutaisi State University and Shota Rustaveli Batumi State University to help educators align the curriculum with business needs in their agrarian undergraduate programs. REAP provided these universities with technical training manuals in Georgian and trained university professors to teach postharvest handling and refrigeration courses. These courses are being offered to more than 500 students.

The project assists industry-university partnerships by facilitating agreements between its grant recipients and academia. These have been signed with Ivane Javakishvili Tbilisi State University and 3 grantee enterprises to enable students to get on-the-job training and participate in real-life research.

"Thanks to REAP I have an opportunity to do research for my undergraduate thesis at CAMPA," stated Nino Bukhraidze of Ivane Javakishvili Tbilisi State University.

The USAID-supported REAP program is an integrated enterprise development designed to increase incomes and rural employment by launching successful agribusinesses and promoting increased investment in Georgia's agriculture sector. REAP's investment has been in four priority directions: farm service centers, primary producers, postharvest and processing facilities, and information service providers. REAP supports all investments with technical assistance to improve their business and technical skills that lead to increased sales, enhanced competitiveness, and ultimately improved sustainability.

REAP's leadership says the organization will continue its efforts to integrate more young people in to the labor market and give them new professional opportunities as they leave university.


Zviad Adzinbaia

"Agriculture is changing, and with it, a revised set of skills is needed to address new challenges and stimulate its development," believes USAID's Restoring Efficiency in Agricultural Production (REAP) program.

USAID's REAP operates a robust internship program to engage students and provide them with practical learning experiences.

REAP has provided a 6-month internship opportunity to 34 students from 11 universities in REAP's Tbilisi, Telavi, and Kutaisi offices. The interns have been involved in a variety of

USAID's REAP Program Continues to Contribute to Georgia's Agricultural Development

Print version 

 Enlarge This Image



On April 21-22, the USAID-supported Restoring Efficiency to Agriculture Production (REAP) program hosted a two-day Enterprise Strategic Planning Program (ESSP) in Batumi to provide technical assistance to nearly 40 REAP-supported agribusinesses across Georgia. The aim of the program is to assist beneficiaries to develop competitive edges for their businesses, identify and resolve potential business problems and to seize new commercial opportunities. The training was attended by the Ministry of Agriculture of Adjara.

The targeted beneficiaries for the training course were businesses engaged in primary production and postharvest handling operations and farm service centers, which provide high-quality inputs and mechanization services to farmers across Georgia. The training was led by Innova, a reputable business consulting company and included guest speakers from leading private sector firms.

The course provided attendees with valuable theoretical and practical training in defining investment priorities, developing a company's mission and values, and executing the strategic planning process. The instructors utilized various methods to convey this comprehensive and valuable information to attendees including pertinent case studies, presentations from leading private sector firms, and insights from their own business consulting experiences.

The USAID-supported REAP program is an integrated enterprise development designed to increase incomes and rural employment by launching successful agribusinesses and promoting increased investment in Georgia's agriculture sector. REAP invests in four priority directions: farm service centers, primary producers, postharvest and processing facilities, and information service providers. REAP supports all investments with technical assistance to improve their business and technical skills that lead to increased sales, enhanced competitiveness, and ultimately improved sustainability.

REAP is actively involved in preparing Georgian agribusinesses to comply with the conditions of the Association Agreement with the EU, signed in June 2014, which opens European markets to Georgia. One of their latest comprehensive trainings was held in partnership with the Free and Agricultural Universities to assist agribusinesses to understand the benefits of the Association Agreement and the requirements for export. REAP, in coordination with the Ministry of Agriculture, developed detailed roadmaps that provide comprehensive instructions on the requirements for export to the EU under the Association Agreement. These timely and comprehensive roadmaps were made available to attendees and are available for download on REAP's website at www.reap.ge and their Facebook page.

On the final day of the training, REAP's Chief of Party, Louis Faoro, presented certificates of completion to the attendees and reemphasized REAP's commitment to supporting grantees and non-grantee enterprises to develop sustainable agribusinesses that will benefit Georgia's agriculture sector and economy.

Zviad Adzinbaia

23.04.2015